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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/788,302	02/15/2001	Gregory Sheldon	TI11-001	1499
21567	7590	12/27/2007	EXAMINER	
WELLS ST. JOHN P.S. 601 W. FIRST AVENUE, SUITE 1300 SPOKANE, WA 99201			LAstra, DANIEL	
			ART UNIT	PAPER NUMBER
			3622	
			MAIL DATE	DELIVERY MODE
			12/27/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>		<b>Applicant(s)</b>	
	09/788,302		SHELDON ET AL.	
	<b>Examiner</b>		<b>Art Unit</b>	
	DANIEL LASTRA		3622	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 05 October 2007.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-6 and 8-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-6 and 8-12 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. Claims 1-6 and 8-12 have been examined. Application 09/788,302 (Integrated frequency and award redemption program for installment based receivables behavior modification and customer loyalty management) has a filing date 02/15/01.

#### ***Response to Amendment***

2. In response to Non Final Rejection filed 04/05/2007, the Applicant filed an Amendment on 10/05/2007, which amended claim 11. Applicant's amendment overcame the Section 112 rejection.

#### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 9 and 11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 9 does not explain what is the desired behavior goal and claim 11 does not explain from what members are switching to. For purpose of art rejection, said limitation would be interpreted as meaning that members are switching from paper to electronic payment.

#### ***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject

matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-6 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Early Payment in view of Lawlor (US 5,870,724) and further in view of Storey (US 6,578,012).

As per claims 1, 3, 4 and 6, Early Payment teaches:

A lender-based method for implementing an on-line incentive program for selected members who are making installment payments, said method comprising:

Identifying a member behavior of members making installment payments which is desired for modification, and identifying a desired behavior goal for said members making installment payments (see Early Payment paragraphs 1-5 "after 12 months of on time payment, a year cash rebate...that is why Chavez has paid on time every month")

Identifying at least one selected member making installment payments as a candidate for an incentive program, that at least one selected member having the behavior pattern identified for modification the desired behavior goal (see Early Payment paragraphs 1-4; "after 12 month of on time payment a year end rebate")

providing a lender-based Internet webpage accessible to at least one selected member, via a computer system, for on-line interactive communications between said selected member and said lender-based Internet webpage (see Lawlor column 44, lines 7-12);

offering, on said lender-based Internet webpage, installment payment schedule information to said selected member (see Lawlor column 44, lines 7-12);

providing a pre-enrollment file identifier of the at least one selected member to the incentive program computer system (see Storey column 6, lines 12-59);

providing said selected member notice of eligibility for the incentive program (see Storey column 6, lines 12-25);

and notice of the incentive if the desired behavior goal is attained (see Early Payment paragraphs 1-4 "a year end rebate for 12 months of on time payment");

receiving an enrollment request from said selected member (see Storey column 6, lines 25-37);

receiving identifier data and payment behavior data of the selected member (see Early Payment paragraphs 1-5);

determining whether said selected member qualifies for one or more awards based on said selected member payment behavior data (see Early Payment paragraphs 1-5). Early Payment does not teach that said awards are non-cash award points and calculating said non-cash award points according to a preprogrammed formula if said selected member qualifies for said non-cash award points and issuing said non-cash award points to an account of the selected member if the selected member qualifies for said non-cash award points, wherein said non-cash award points are redeemable by the selected member for a non-cash award. However, Storey teaches an incentive program where members earn non-cash award points based upon said member's payment information (see Storey column 6, lines 12-25). Therefore, it would have been obvious

to a person of ordinary skill in the art at the time the application was made, to know that payees (such as utilities, mortgagors or customers of Longtime Wellborn Paint; see Early Payment paragraph 1) would participate in the Lawlor's system to be able to transmit electronic bills to customers and receive electronic payment from said customers (see Lawlor column 15, lines 45-52) and would use the Storey's system to be able to send said customers a message identifying how many points said customers would earn by enrolling in said payee's on-time payment incentive program. For example, the Early Payment's payee would use the Storey's system to send a customer participating in the Lawlor's online banking system a message such as "By enrolling in the on-time incentive program you will earn X points for" (see Storey column 6, lines 12-25) [paying your bills on-time] (see Early Payment paragraph 2). Payees, such as Longtime Wellborn Paint (see Early Payment paragraph 1) would be motivated to enroll in the Lawlor's online banking system because this would avoid said payee the processing costs of mailing bills to customers and receiving payment from customers (see Lawlor column 15, lines 1-53) and said payee would be motivated to enroll in the Storey's incentive program as this would allow said payee to offer said customers an incentive program, which would give said customers awards points for said customers' payment behavior, such purchasing certain items (see Storey column 6, lines 20-25) or paying said payee's bills on-time (see Early Payment paragraph 1). Customers would be motivated to enroll in the Lawlor's online banking system as this would allow said customers to pay a payee's bills electronically avoiding the cost and time of mailing said payment (see Lawlor column 15, lines 10-35) and said customers would be motivated to

enroll in the Early Payment and Storey's incentive program as this would allow said customers to earn awards credit for paying said payee's bills on-time (see Early Payment paragraph 1) and use said earned credit to purchase other products from an award catalog (see Storey abstract).

As per claims 2 and 5, Early Payment fails to teach:

to teach said method further comprising the step of offering, on said lender-based Internet webpage, electronic installment payment capability to said selected member. However, Lawlor teaches a method that offer to a member on a bank Internet webpage, electronic installment payment capability to said member (see Lawlor figures 16A and 16B; column 44, lines 7-12). Therefore, the same argument made in claim 1 is made in 2 and 5.

As per claim 8, Early Payment teaches:

A lender-based method for implementing an on-line incentive program for selected members who are making installment payments as recited in claim 1, and further wherein the payment behavior data is one or more timely installment payments (see Early Payment paragraphs 1-4).

5. Claims 9 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Early Payment in view of Lawlor (US 5,870,724) and further in view of Storey (US 6,578,012) and Kolling (US 6,385,595).

Claims 9 and 11, Early Payment fails to teach:

wherein the behavior of members making installment payments which is desired for modification is members making payments via paper, and the desired behavior goal

identified for said members making installment payments is to switch to making payment electronically. However, Knolling teaches that billers and consumers save money when said consumers use an electronic bill payment system to pay an invoice from said billers (see Knolling col 3, lines 37-42; col 4, lines 50-65; col 6, lines 30-40). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that billers in the Early Payment article would be motivated to provide incentive to customers that switch from paper to electronic paying of invoices in view that said billers and consumer would benefit from the reduce costs of said switching.

6. Claims 10 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Early Payment in view of Lawlor (US 5,870,724) and further in view of Storey (US 6,578,012) and Zervides (US 6,052,674).

Claims 10 and 12, Early payment does not expressly teach:

wherein the behavior of members making installment payments which is desired for modification is members specifically identified with past late payment behavior, and the desired behavior goal identified for said members making installment payments is to make payments timely. However, Zervides teaches a system that identifies customers' past late payment behavior with the goal that said customers make payments timely (see Zervides col 5, lines 5-15; col 6, lines 20-60). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that suppliers in the Early Payment article would be motivated to keep a record of customers' late payments behavior, as taught by Zervides in order to provide said late



payment customers with incentive to make payments timely and therefore, help said suppliers to get pay on time.

***Response to Arguments***

7. Applicant's arguments filed 10/05/2007 have been fully considered but they are not persuasive. The Applicant argues that Early Payment does not teach a behavior patten for modification because according to the Applicant, in the example given in Early Payment, Chavez already pays his bill on time, so there was no behavior pattern identified for modification. The Examiner answers that in Early Payment, the behavior pattern modification is that Mr. Chavez would continue paying his bill on time and especially for a whole year. To do that, Early payment offers Mr. Chavez a 2% credit on his bills every month when Chavez pays by the 15<sup>th</sup> and also offer Mr. Chaves an additional "functional rebate", if Mr. Chavez has 12 straight months of on-time payments (see paragraphs 1-4). Therefore, contrary to Applicant's argument, Early Payment would like that Mr. Chavez continue paying is bill on time and especially for a whole year and to do that, Early Payment gives incentive for every month of on time payment and for every year of 12 straight month of on time payments. Therefore, contrary to Applicant's argument, Early Payment teaches a "behavior pattern" modification.

The Applicant argues that Examiner is using 4 references in order to place together an obviousness rejection, which according to the Applicant, is indicative that the invention is not obvious and that the references instead teach away from the claimed invention. The Examiner answers that the Applicant needs to point out why the

references teach away from the claimed invention because the number of references used in the Office Action is not a reason of teaching away.

The Applicant argues that the Applicant is under no obligation to submit evidence of non-obviousness because according to the Applicant, the Examiner has not produced a *prima facie* case. The Examiner answers that the Examiner provided ample examples in the rejection of Applicant's claims in order to prove the obviousness of combining the references. Therefore, contrary to Applicant's argument, the Examiner provided a *prima facie* case of obviousness.

### ***Conclusion***

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 571-272-6720 and fax 571-273-6720. The examiner can normally be reached on 9:30-6:00.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W. STAMBER can be reached on 571-272-6724. The official Fax number is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Daniel Lastra  
December 13, 2007



RETTA YEHDEGA  
PRIMARY EXAMINER